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XAAZ-15488

11 April 1962

MEMORANDUM FOR: Chief, SR/2

SUBJECT : AEBALCONY Quarterly Report (January-March 1962)

1. The attached reports are forwarded to you for your information. It will be readily apparent that there has been little recent operational activity undertaken within the framework of Project AEBALCONY. Not only has greater attention been paid to Case Officer training, to domestic contact operations and to the CA Projects during the reporting period, but SR/2/Baltic is awaiting the dissemination of the operational doctrines contained in the REDWOOD-REDSKIN policy paper.

2. Current plans, which are indefinite at best, call for the development of four types of REDSKIN operations during the coming season: those in support of internal cases, those targeted against specific items of positive intelligence of a priority nature, those of a predominately CA nature and those whose goal is to contact and assess specific priority individuals residing within the Soviet occupied Baltic States with a long term view towards their eventual recruitment. If one of each type of case is mounted, the SR/2/Baltic Section operational effort under Project AEBALCONY will have been justified for this year.

✓ SR/2/Baltic ✓

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QUARTERLY REPORT FOR PROJECT AEBALCONY - LATVIAN DESK

A. REDSKIN Travel

1. No REDSKIN operational or CO travel took place during the period covered by this report.

2. Development of potentially useful reporting sources on FI matters as a prelude to future REDSKIN travel or contact with Soviet Latvians has been initiated among the Latvian-American scientific community. PCSAs and eventual CSAs have been received or are pending on selected persons e.g. astronomers, chemists, etc. who have the necessary professional competence to warrant their attendance at international gatherings in the USSR or in the West where Soviet Latvians or Russians are expected to attend.

3. A REDSKIN spotter was recruited in the Seattle area and several others were recontacted.

B. Recruitment-in-Place:

The Latvian desk has been planning an operation to contact and assess a Soviet Latvian traveler in the United States who is believed to be knowledgeable at the highest level in the Latvian SSR on economic matters. The prognosis of Subject's vulnerability produces less than even odds that she will speak candidly with a Latvian asset targeted against her. However, Soviet REDSKINNERS should be contacted if possible, in an attempt to determine as much about them as possible.

C. CE:

No new developments.

D. Positive Intelligence:

One PI report from AEKIL0/2 has been made during this quarter: Possible Underground Shelters in Riga (CS-3/498,265).

E. Security

A final evaluation of the circumstances surrounding the publication of the book, Riga Retour principally concerning [ ] and [ ] is still awaiting the MOG debriefing of [ ] [ ] From what is known to date, including Headquarters' debriefing of [ ] [ ], the book is a disservice to future REDSKIN operations. As yet there is no firm ground for any conclusion that [ ] [ ] was a willing participant in the writing of this book.

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QUARTERLY REPORT FOR PROJECT AEBALCONY - LITHUANIAN DESK

1. Objectives: The objectives of Project AEBALCONY are to conduct mounted and selected piggy-back legal traveler operations into Soviet occupied Lithuania in furtherance of the CIA intelligence mission. The purposes of the legal traveler operations are to conduct subtle covert action activities, to collect positive and operational intelligence, to make assessments and re-assessments of potentially vulnerable Balts, to recruit and to support internal assets.

2. Operations:

a. No REDSKIN operational or C/O travel took place during the period covered by this report.

b. A covert associate contacted two Soviet Lithuanians who recently toured the United States, and as a by product met the Second Secretary of the Soviet Embassy, Washington, D. C., was requested by the Soviet individuals to consider a tourist trip this summer to Soviet occupied Lithuania. During the meeting with the Soviets the covert associate was able to obtain some personality information on his former associates who now occupy prominent positions in Lithuania. The covert associate will be encouraged to plan to travel to Lithuania in the summer of 1962.

3. Future Plans: It is intended to recontact three individuals who in 1961 expressed a desire to assist the United States by accepting a mission to Soviet occupied Lithuania.

4. Security: The covert associate mentioned in paragraph 2 b is of interest to the RIS and this contact and his possible REDSKIN trip will be closely monitored.

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QUARTERLY REPORT FOR PROJECT AEBALCONY - ESTONIAN DESK

1. REDSKIN Travel:

a. No REDSKIN operational or case officer travel occurred during the period covered by this report.

b. We are currently investigating a lead on two Estonians from the Philadelphia area who plan to travel to Estonia this summer. To date, no further word has been received from the Office of Security in response to our request that additional information be collected through a secret investigation.

2. Recruitment-in-Place: Clearances have been requested on several Estonians in the Stanford University area for the purpose of using them to enter into contact with a Soviet Estonian who is a student at Stanford University. It is our intent to obtain vulnerability assessments on the Soviet Estonian for the purpose of considering a recruitment-in-place.

3. Positive Intelligence: No disseminable information was obtained during the period covered by this report.

4. Security No problems of a security nature developed during this period.

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